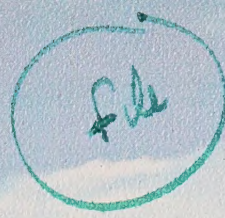


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niagara wires

Annual Report

For the Year Ended
MARCH 31st, 1966





THE NIAGARA WIRE WEAVING COMPANY LIMITED

(Incorporated under the laws of Ontario)

And WHOLLY-OWNED SUBSIDIARY COMPANIES

HEAD OFFICE: NIAGARA FALLS, ONTARIO

DIRECTORS

E. J. BUELL Winter Park, Fla.
E. J. BUELL, JR. Chippawa, Ont.
R. J. HALL Niagara Falls, Ont.
W. T. MEAD, C.A. Niagara Falls, Ont.
J. A. F. MILLER Toronto, Ont.

OFFICERS

E. J. BUELL *Chairman of the Board*
E. J. BUELL, JR. *President*
F. A. BASSETT *Vice-President, Manufacturing (U.S.)*
C. O. DODSON, JR. *Vice-President, Engineering*
G. S. HENDERSON *Vice-President, Manufacturing (Can.)*
D. A. LOCKYER *Vice-President, Sales*
R. J. HALL *Secretary*
W. T. MEAD, C.A. *Treasurer*
MISS G. V. RICKER *Assistant Secretary*

AUDITORS

ARTHUR YOUNG, CLARKSON, GORDON & CO. . *Buffalo - Toronto*

TRANSFER AGENTS

THE ROYAL TRUST COMPANY . . . *Toronto - Montreal*

REGISTRAR

NATIONAL TRUST COMPANY, LIMITED . *Toronto - Montreal*



THE SKYLON AT NIGHT
(Photo by Gordon Counsell)

COVER: A recent aerial photograph of
Niagara Falls
— The Skylon in the foreground

EVENING REVIEW PRINTERS
NIAGARA FALLS, CANADA

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

For the fiscal year ended March 31, 1966, the net earnings of your Company and its wholly-owned subsidiaries were \$826,960 or \$1.85 per share* compared with \$822,385 or \$1.84 per share* for the previous year.

Substantial gains in sales were made in all areas, particularly in the United States. The higher earnings which normally would have resulted from these increased sales were offset, however, by the unprecedented rise during this period in the price of copper, our basic raw material.

The demand for paper products in the United States and Canada reached new all-time high levels during the year. New paper machines, among which are the largest in the world, are going into production with increasing frequency and many more are on the drawing boards.

To meet this demand, we accelerated our program of providing additional productive capacity during the year, investing over \$725,000 vs. \$525,000 the previous year. It is expected that capital expenditures for this purpose will be even higher during the current year. The required looms and related machinery (of our own design and construction) are the largest and most modern of their kind in the world. We are pleased to report that the first of this equipment is now in service and is performing satisfactorily.

Research designed to improve our present products and to develop new ones continued to receive emphasis during the year as more personnel were added to our technological departments and to our engineering and development subsidiary.

The Skylon and Exhibition Hall of The Niagara International Centre, in which your Company has approximately a 30% interest, were opened to the public on October 1, 1965. The observation level, lounge, dining room, and related souvenir and parking facilities of the Skylon are being well patronized.

Notwithstanding its merit, the concept of the Exhibition Hall involving exhibiting on a year round basis is a departure from usual advertising and promotion methods and has required time to take hold. However, the exhibitors already include some of the largest national and international corporations as well as government agencies who recognize the value of this type of exposure. The exhibits are of exceptionally high quality and are meeting with favourable response from the thousands of visitors who pass through the Centre daily.

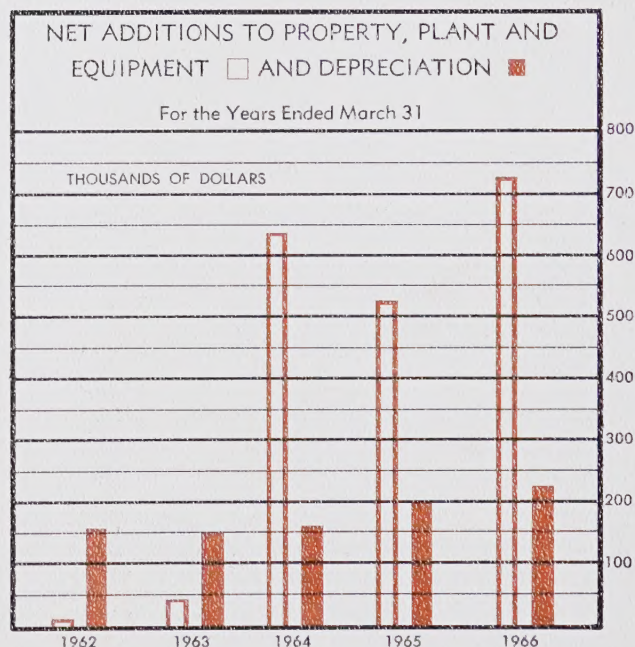
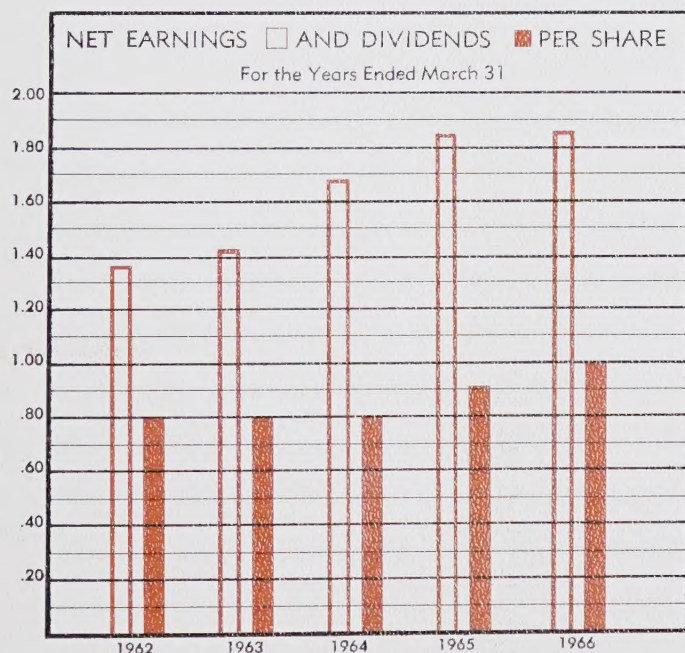
Our employees and staff met the challenges of increased production and sales during the past year with marked enthusiasm for which we are very grateful.

On behalf of the Board,

Edward F. Russell, Jr.

President

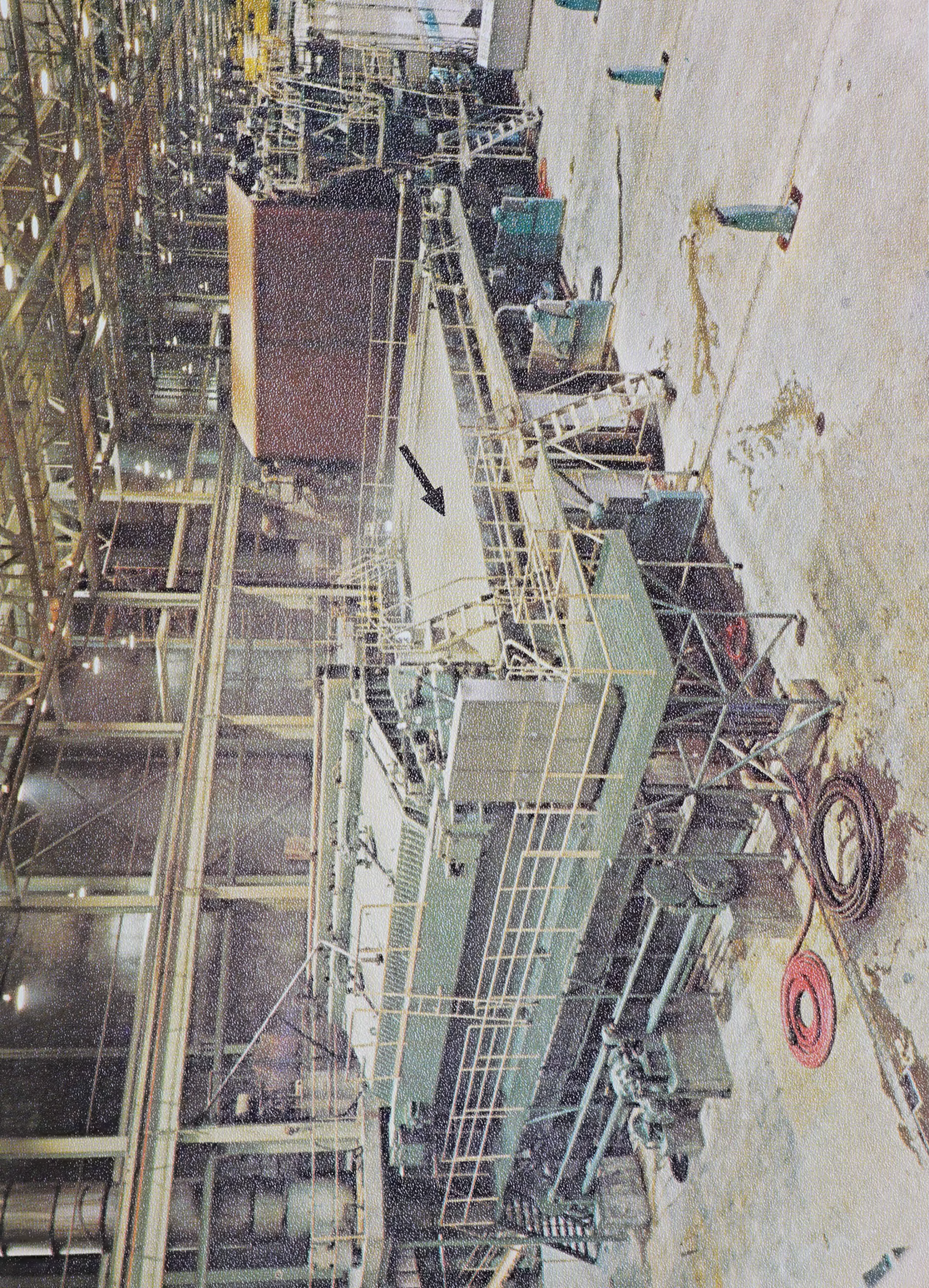
August 26, 1966.



* Calculation excludes 20,000 shares held by wholly-owned subsidiary



The largest Fourdrinier Wire in the world on a Niagara stretcher.



The largest Paper Machine in the world (346" wide), showing the Fourdrinier Wire in operation (arrow) at Rothesay Paper Corporation, Saint John, New Brunswick.

THE NIAGARA WIRE WEAVING COMPANY LIMITED
And WHOLLY-OWNED SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

(With comparative figures)

ASSETS

1966

1965

CURRENT ASSETS

Cash	\$ 161,247	\$ 221,740
Marketable securities - at cost (market value 1966 - \$3,560,000; 1965 - \$3,910,000)	2,521,421	2,779,273
Accounts receivable	1,312,485	1,011,740
Inventories, at lower of cost or market	1,886,012	1,443,454
Prepaid expenses	99,155	79,799
Total current assets	\$5,980,320	5,536,006

OTHER ASSETS

Investment in Niagara International Centre Limited at cost (Note 2)	1,373,333	1,040,000
Shares of an affiliated company, at nominal value	1	1
Cash surrender value - life insurance	168,179	163,627
Patents, at nominal value	1	1
	1,541,514	1,203,629

PROPERTY, PLANT AND EQUIPMENT

Land, buildings, machinery and equipment, at cost	4,963,790	4,242,488
Less accumulated depreciation	2,430,958	2,207,450
	2,532,832	2,035,038
	\$10,054,666	\$8,774,673

Signed on behalf of the Board:

EDWARD J. BUELL, JR., *Director*
R. J. HALL, *Director*

See accompanying notes.

AS AT MARCH 31, 1966

March 31, 1965)

LIABILITIES

CURRENT LIABILITIES

Notes payable -

Bank \$ 480,000

Other 150,000

\$ 630,000

Accounts payable and accrued liabilities 665,193

Income taxes 306,101

Dividends payable 89,600

Deposits on returnable containers 111,403

Total current liabilities \$1,802,297

DEFERRED INCOME TAXES

78,164

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized -

50,000 Class A shares with a par value of \$50 each

500,000 Class B shares without par value

150,000 Common shares without par value

Issued and fully paid -

351,000 Class B shares \$ 299,437

117,000 Common shares 99,812

399,249

CONTRIBUTED SURPLUS

425,051

RETAINED EARNINGS (Note 2)

7,506,331

8,330,631

Less: Shares of The Niagara Wire Weaving Company Limited
owned by a subsidiary company, at cost

156,426

Total shareholders' equity

8,174,205

\$10,054,666

1965

\$ --

575,415

349,777

89,600

105,326

1,120,118

31,061

299,437

99,812

399,249

425,051

6,955,620

7,779,920

156,426

7,623,494

\$8,774,673

THE NIAGARA WIRE WEAVING COMPANY LIMITED
And WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Earnings
For the Year Ended March 31, 1966
(With comparative figures for the year ended March 31, 1965)

	1966	1965
OPERATING INCOME	\$1,363,388	<u>\$1,304,287</u>
After deducting or providing for all costs of manufacturing, selling and administration including the following:		
Depreciation of property, plant and equipment . . . \$ 230,413		203,435
Contributions to pension funds 59,833		31,754
Directors' fees 5,775	<u>5,775</u>	<u>5,780</u>
OTHER INCOME		
Interest and dividends	<u>130,471</u>	<u>143,773</u>
	1,493,859	1,448,060
PROVISION FOR INCOME TAXES		
Current 613,861		594,614
Deferred, relating to accelerated depreciation . . . 53,038	<u>53,038</u>	<u>31,061</u>
	666,899	625,675
NET EARNINGS FOR THE YEAR	<u>\$ 826,960</u>	<u>\$ 822,385</u>

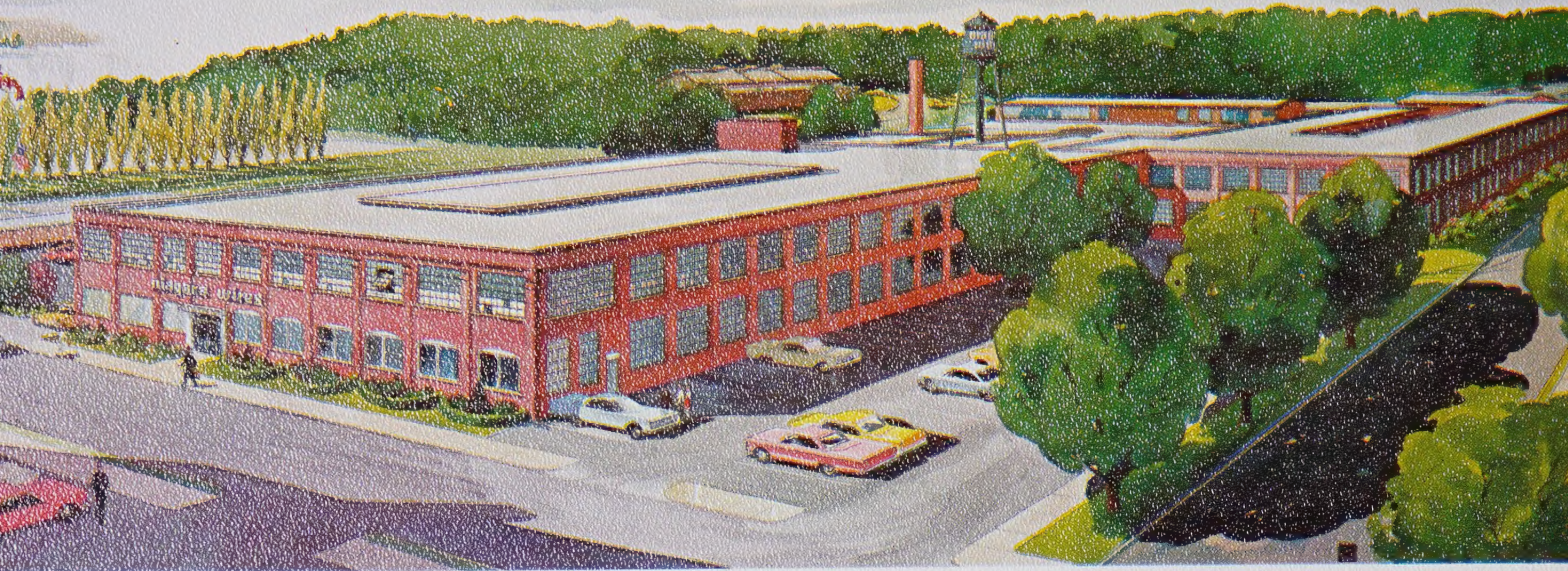
See accompanying notes.

THE NIAGARA WIRE WEAVING COMPANY LIMITED
And WHOLLY-OWNED SUBSIDIARY COMPANIES

Consolidated Statement of Retained Earnings
For the Year Ended March 31, 1966
(With comparative figures for the year ended March 31, 1965)

	1966	1965
BALANCE - BEGINNING OF YEAR	\$6,955,620	\$6,341,717
Net earnings for the year	826,960	822,385
Net profit on sales of securities during the year	171,751	164,177
Net adjustments resulting from prior years' tax assessments	—	30,541
	<u>\$7,954,331</u>	<u>7,358,820</u>
Deduct:		
Dividends paid:		
Class B—\$1.00 per share (1965 - 90c) (Note 1)	331,000	297,900
Common—\$1.00 per share (1965 - 90c)	<u>117,000</u>	<u>105,300</u>
	448,000	403,200
BALANCE - END OF YEAR (Note 2)	<u><u>\$7,506,331</u></u>	<u><u>\$6,955,620</u></u>

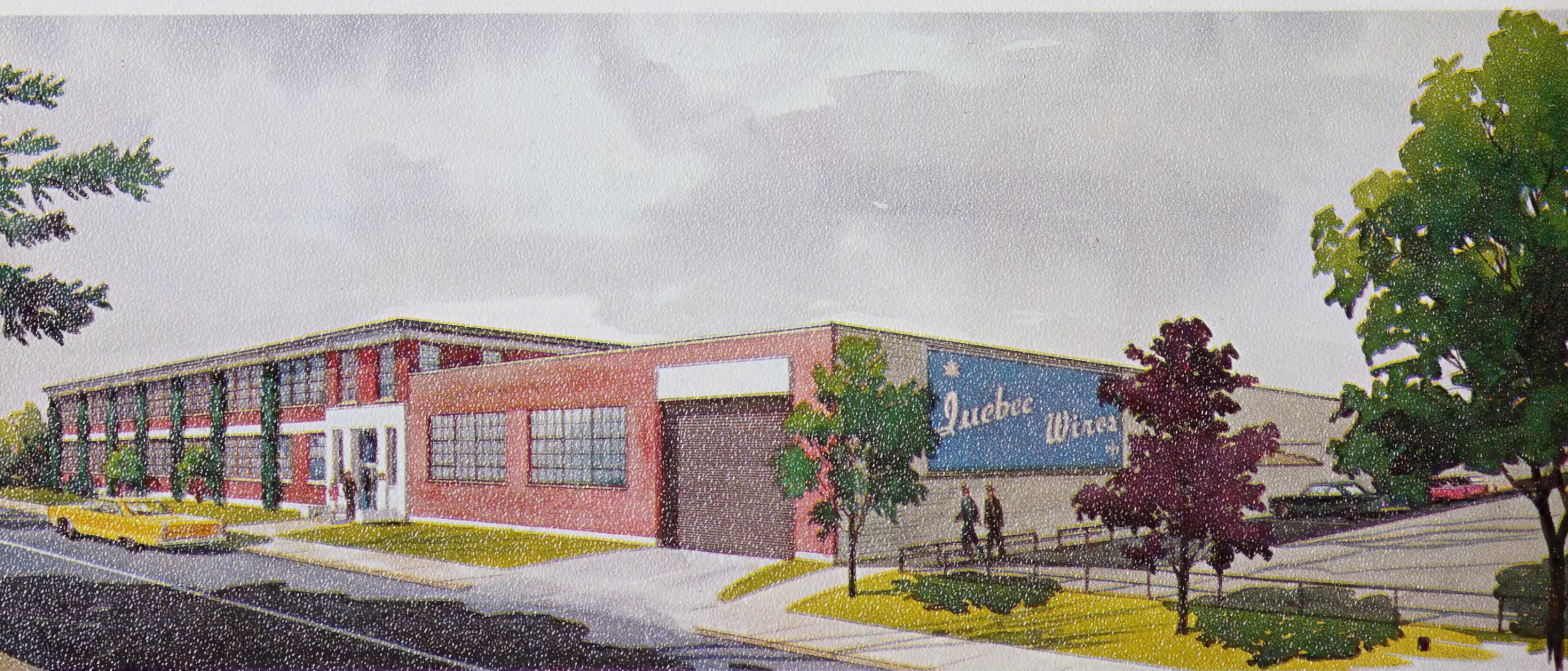
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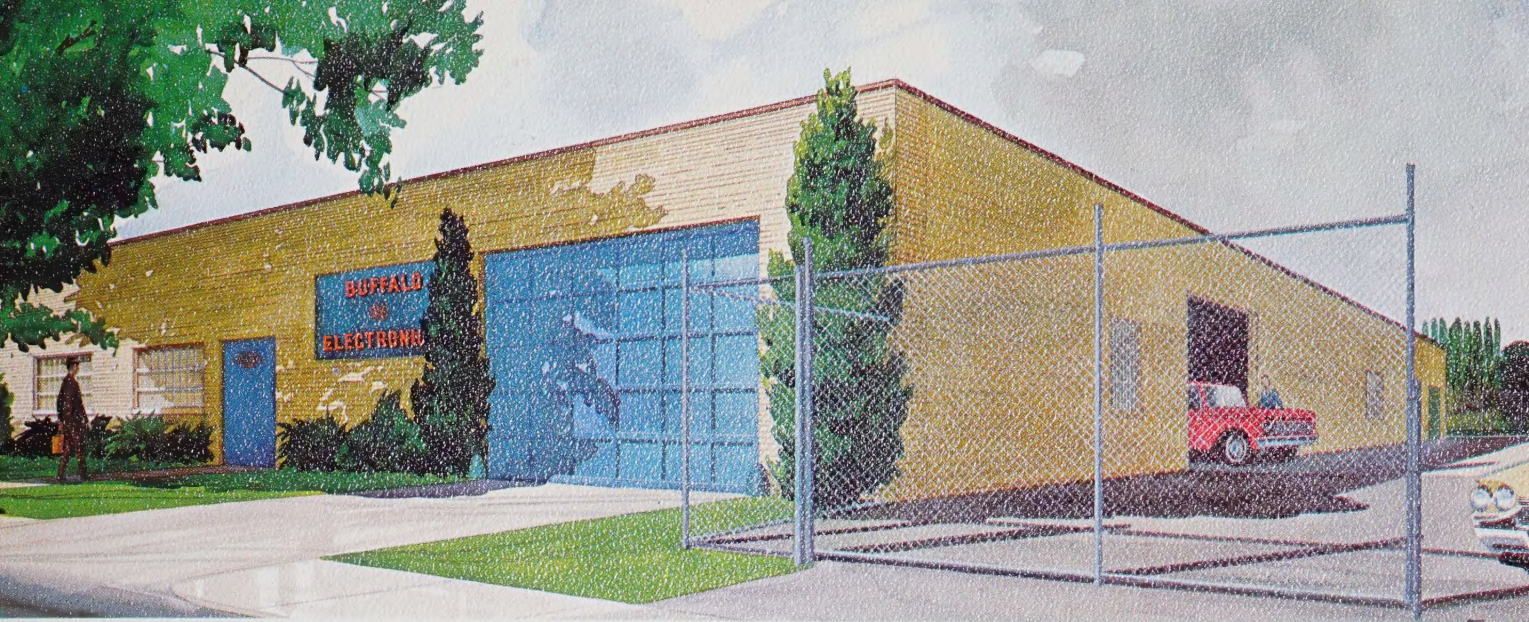
NIAGARA FALLS, ONTARIO - 1919



THE NIAGARA
WIRE WEAVING
COMPANY LIMITED
And WHOLLY-OWNED
SUBSIDIARY COMPANIES



TROIS-RIVIÈRES, QUEBEC - 1937



NIAGARA FALLS, NEW YORK - 1954



QUINCY, FLORIDA - 1959

